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OFFICE OF GENERAL COUNSEL

March 7, 2007

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Posted: led

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Date: 3/7/07

Time: 4:55

SC PUBLIC SERVICE
COMMISSION

2007 MAR -7 PM 4:24

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VIA HAND DELIVERY

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive, Suite 100
Columbia, SC. 29210

Re: Application of Shoals Sewer Company, Inc. for Approval of Transfer of
Sewer System to Jay M. Salley and Bonnie J. Santos
Docket No. 2007-40-S
OGC No.: 20248

Dear Mr. Terreni:

Enclosed please find Exhibits 1 and 2, which were inadvertently left out of the *Petition of the South Carolina Department of Health and Environmental Control to Intervene* that was filed yesterday in the above-referenced matter. Kindly include these exhibits in the file. By copy of this letter, I am also sending copies of these exhibits to the other parties in this matter.

If you have any questions, please do not hesitate to call me at (803) 898-3350.

Sincerely yours,

Julie F. McIntyre
Julie F. McIntyre
Staff Attorney

cc: (w/Enclosure)

Wendy B. Cartledge, Esq.
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211

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DOCKETING DEPT.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

Office of General Counsel

Columbia Office • 2600 Bull Street • Columbia, SC 29201 • Phone: (803) 898-3350 • Fax: (803) 898-3367 • www.scdhec.gov

Charles Terreni, Esquire
March 7, 2007
Page 2

Ms. Bonnie Santos
127 Quail Circle
Central, South Carolina 29630

Mr. Fred Allen
Shoals Sewer Company, Inc.
99 Harbor Drive
Anderson, South Carolina 29625

Mr. Jay Salley
127 Quail Circle
Central, South Carolina 29630

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January 31, 2007

CERTIFIED MAIL – 7005 2570 0001 5175 9859
RETURN RECEIPT REQUESTED

Mr. Jay M. Salley
Ms. Bonnie J. Santos
127 Quail Circle
Central, S.C. 29630


Re: **Request for Information – Ownership Transfer**
Shoals Sewer Company, Inc.
NPDES Permit SC0021873
Anderson County

Dear Mr. Salley and Ms. Santos:

It has been brought to the Department's attention that you have entered into an agreement to purchase the above referenced company and all of its assets, to include but not limited to, a wastewater treatment facility and a wastewater collection system serving the residents of the Shoals Subdivision and Anchor Point Condos. Please find attached a letter from the Department's Permitting Division, which details the necessary documentation required by the Department to transfer the ownership of the National Pollutant Discharge Elimination System (NPDES) Permit for these systems.

In addition to the information requested in the attached letter, Department staff would like to meet with you to discuss the current and future operation of the wastewater treatment system as well as current enforcement actions as they pertain to the ownership transfer. I will be traveling to the Department's Anderson Environmental Quality Control Office on April 6, 2007 for several meetings. If you are available or if I can be of further assistance please contact me at (803) 898-4273 or by e-mail at proctorl@dhec.sc.gov to schedule a time to meet.

Sincerely,


Robert L. Proctor
Water Enforcement Division
Bureau of Water

cc: Jaime Teraoka, WP Enforcement/Compliance Section
Jon Batson, Region I-Anderson EQC Office
Mike Montebello, BOW-Domestic Wastewater Permitting Section
Julie McIntyre, Office of General Counsel
Robert Waldrep, Attorney for Shoals Sewer Company

Exhibit 1

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2007-40-S

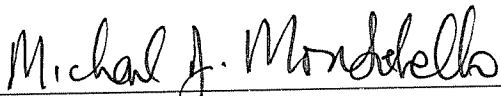
**IN RE: Application of Shoals Sewer
Company, Inc. for Approval of
Transfer of Sewer System to
Jay M. Salley and Bonnie J. Santos**

**AFFIDAVIT OF
MICHAEL J. MONTEBELLO**

The Affiant, after having been first duly sworn, deposes and states as follows:

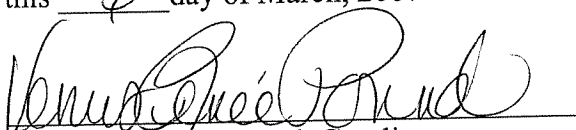
- 1) My name is Michael J. Montebello and I am employed by the Department of Health and Environmental Control as the Manager of the Domestic Wastewater Permitting Section in the Bureau of Water. My office is located at 2600 Bull Street, Columbia, South Carolina 29201.
- 2) I have reviewed the Department files for National Pollutant Discharge Elimination Systems (NPDES) Permit SC0021873, currently held by Shoals Sewer Company, Inc. for the wastewater system at issue in the action before the Public Service Commission. To date, the applicant has not filed an application for transfer nor has the proposed transferee filed the required business plan in support of that transfer as required under the State NPDES Regulations.
- 3) The Department is unable to approve transfer of these systems until the application has been properly submitted to include a contract between the parties containing a date for transfer of permit responsibility, coverage, and liability and a business plan demonstrating technical, managerial, and financial viability.

AND FURTHER THE AFFIANT SAYETH NOT.



Michael J. Montebello

Sworn and subscribed before me
this 6 day of March, 2007



Notary Public for South Carolina
My Commission Expires: 2-8-16

Exhibit 2